

**Final Statement of Reasons for
Adoption of Proposed Amendments to California Code of Regulations,
Title 18, Section 313, *Hearing Procedure*, and
Section 321, *Burden of Proof***

Update of Information in the Initial Statement of Reasons

The factual basis, specific purpose, and necessity for, the problem to be addressed by, and the anticipated benefits from the proposed amendments to California Code of Regulations, title 18, sections (Property Tax Rules) 313, *Hearing Procedure*, and 321, *Burden of Proof*, are the same as provided in the initial statement of reasons.

The adoption of the proposed amendments to Property Tax Rules 313 and 321 was not mandated by federal law or regulations and there is no federal regulation that is identical to Property Tax Rule 313 or 321.

The State Board of Equalization (Board) did not rely on any data or any technical, theoretical, or empirical study, report, or similar document in proposing or adopting the amendments to Property Tax Rules 313 and 321 that was not identified in the initial statement of reasons, or which was otherwise not identified or made available for public review prior to the close of the public comment period.

In addition, the factual basis has not changed for the Board's initial determination that the proposed regulatory action will not have a significant adverse economic impact on business and the Board's economic impact analysis, which determined that the Board's proposed regulatory action:

- Will neither create nor eliminate jobs in the State of California;
- Nor result in the elimination of existing businesses;
- Nor create or expand business in the State of California; and
- Will not affect the health and welfare of California residents, worker safety, or the state's environment.

The proposed amendments may affect small business.

No Mandate on Local Agencies or School Districts

The Board has determined that the adoption of the proposed amendments to Property Tax Rules 313 and 321 does not impose a mandate on local agencies or school districts.

Public Comments

The Board received a letter dated August 14, 2012, from Dale Hough, Chief Appraiser in the Assessment Services Division of the Los Angeles County Assessor's Office. The letter indicated that the Los Angeles County Assessor agrees with the proposed amendments to Property Tax Rules 313 and 321. No other interested parties submitted written comments regarding the proposed amendments and no interested parties appeared

at the public hearing on August 21, 2012, to comment on the proposed amendments.

Determinations Regarding Alternatives

By its motion, the Board determined that no alternative to the proposed amendments to Property Tax Rules 313 and 321 would be more effective in carrying out the purposes for which the regulations are proposed, would be as effective and less burdensome to affected private persons than the adopted regulations, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

Furthermore, the Board did not reject any reasonable alternatives to the proposed amendments to Property Tax Rules 313 and 321 that would lessen any adverse impact the proposed amendments may have on small business. No reasonable alternative has been identified and brought to the Board's attention that would lessen any adverse impact the proposed action may have on small business, be more effective in carrying out the purposes for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.

In addition, the proposed amendments are anticipated to provide the following benefits:

- Make Property Tax Rules 312 and 321 consistent with the provisions of RTC section 167, subdivision (c), as added by AB 711; and
- Clarify the meaning of the phrase "qualifies for a homeowners' property tax exemption," as used in RTC section 167, subdivision (c), as added by AB 711.